

May 21, 2009



TRANSCRIPT

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MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Phil Andrews, President

Councilmember Roger Berliner, Vice President

Councilmember Marc Elrich

Councilmember Valerie Ervin

Councilmember Nancy Floreen

Councilmember Michael Knapp

Councilmember George Leventhal

Councilmember Duchy Trachtenberg

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1 COUNCIL PRESIDENT ANDREWS:

2 Good morning, everybody. Welcome to a meeting of the County Council and to our voting  
3 session on the FY10 operating budget and amended capital budget. I'm glad to see you  
4 all, and thank you for your patience this morning. We're going to begin with a call of bill for  
5 final readings, since there are no introduction of bills, and the first item of business is  
6 Expedited Bill 15-09, Recordation Tax - Use of Revenue. The MFP Committee has  
7 recommended approval with amendments, and I will turn to the chair of the MFP  
8 Committee, Councilmember Trachtenberg, for any comments she would like to make.  
9

10 COUNCILMEMBER TRACHTENBERG:

11 I -- thank you, President Andrews. I would just note for my colleagues that on the second  
12 page of the packet is an outline of the options discussed by the committee. We chose the  
13 option number 3, which would allow us to go back to the current process, the current law,  
14 back in FY11 rather than '13, which was what was proposed in the legislation, and that is  
15 the manner in which the bill was amended, and that is indeed the committee  
16 recommendation.  
17

18 COUNCIL PRESIDENT ANDREWS:

19 Thank you, Councilmember Trachtenberg. I do not see any comments on the bill. I think  
20 we're fairly familiar with it by this point, so with that, the clerk will call the roll.  
21

22 CRYSTAL BROCKINGTON:

23 Mr. Elrich.  
24

25 COUNCILMEMBER ELRICH:

26 Yes.  
27

28 CRYSTAL BROCKINGTON:

29 Miss Trachtenberg.  
30

31 COUNCILMEMBER TRACHTENBERG:

32 Yes.  
33

34 CRYSTAL BROCKINGTON:

35 Miss Floreen.  
36

37 COUNCILMEMBER FLOREEN:

38 Yes.  
39

40 CRYSTAL BROCKINGTON:

41 Mr. Leventhal.



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1 COUNCILMEMBER LEVENTHAL:

2 Yes.

3

4 CRYSTAL BROCKINGTON:

5 Miss Ervin.

6

7 COUNCILMEMBER ERVIN:

8 Yes.

9

10 CRYSTAL BROCKINGTON:

11 Mr. Knapp.

12

13 COUNCILMEMBER KNAPP:

14 Yes.

15

16 CRYSTAL BROCKINGTON:

17 Mr. Berliner.

18

19 COUNCIL VICE PRESIDENT BERLINER:

20 Yes.

21

22 CRYSTAL BROCKINGTON:

23 Mr. Andrews.

24

25 COUNCIL PRESIDENT ANDREWS:

26 Yes. Expedited Bill 15-09, Recordation Tax - Use of Revenue, is adopted, 8-0. We're now  
27 going to move on to approval of the budget resolutions, and then we will have comments  
28 on the budget after we are done with the approval of the resolutions. And so, we are now  
29 at Item One on the approved resolutions -- approval of resolutions to the FY10 capital  
30 budget and for amendments to the FY09-14 Capital Improvements Program. We will take  
31 these one at a time. So I will -- I am asking for a motion on --

32

33 COUNCILMEMBER FLOREEN:

34 I move approval.

35

36 COUNCIL PRESIDENT ANDREWS:

37 Move approval.

38

39 COUNCILMEMBER ERVIN:

40 Second.

41

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1 COUNCIL PRESIDENT ANDREWS:

2 Seconded. Moved by Councilmember Floreen. Seconded by Councilmember Ervin. Any  
3 comments? Don't see any. All those opposed, please raise your hand.

4  
5 COUNCIL VICE PRESIDENT BERLINER:  
6 Opposed?

7  
8 COUNCIL PRESIDENT ANDREWS:  
9 I'm sorry.

10  
11 COUNCIL VICE PRESIDENT BERLINER:  
12 Not a good sign. Ha ha! Not a good sign.

13  
14 COUNCILMEMBER FLOREEN:  
15 Save that for the next one.

16  
17 COUNCIL PRESIDENT ANDREWS:  
18 I'm just seeing if you're listening.

19  
20 COUNCIL VICE PRESIDENT BERLINER:  
21 That was just a test.

22  
23 COUNCIL PRESIDENT ANDREWS:  
24 And they -- and they are listening. That's a good sign, isn't it, even -- even after a long  
25 budget? Thank you for the correction. All those in favor of the County Government Capital  
26 Improvements Program, please raise your hand. That is unanimous, 8-0. All right. The  
27 next is Montgomery County Schools Capital Improvements Program. Is there a motion?

28  
29 COUNCIL VICE PRESIDENT BERLINER:  
30 So moved.

31  
32 COUNCIL PRESIDENT ANDREWS:  
33 Moved by Council Vice President Berliner.

34  
35 COUNCILMEMBER FLOREEN:  
36 Second.

37  
38 COUNCIL PRESIDENT ANDREWS:  
39 Seconded by Councilmember Floreen. And all those -- don't see any comments. All those  
40 in favor, please raise your hand. That is approved, 8-0. Next, Montgomery College. Is  
41 there a motion?

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1 COUNCILMEMBER KNAPP:

2 So moved.

4 COUNCILMEMBER ELRICH:

5 Second.

7 COUNCIL PRESIDENT ANDREWS:

8 Moved by Councilmember Knapp. Seconded by Councilmember Elrich. All those in favor  
9 of the Montgomery College Capital Improvements Program budget, please raise your  
10 hand. That is 8-0. That is approved. Next is the Maryland-National Capital Park and  
11 Planning Commission.

13 COUNCILMEMBER KNAPP:

14 So moved.

16 COUNCILMEMBER FLOREEN:

17 Second.

19 COUNCIL PRESIDENT ANDREWS:

20 Moved by Councilmember Knapp. Seconded by Councilmember Floreen. All those in  
21 favor, please raise your hand. That is 8-0. Revenue Authority is next. Is there a motion?

23 COUNCILMEMBER TRACHTENBERG:

24 So moved.

26 COUNCILMEMBER KNAPP:

27 Second. Moved.

29 COUNCIL PRESIDENT ANDREWS:

30 All right. Councilmember Knapp has moved. Councilmember Trachtenberg has seconded  
31 the budget for the Revenue Authority Capital Improvements Program. All those in favor,  
32 raise your hand. That is approved, 8-0. Next is the Housing Opportunities Commission. All  
33 those -- need a motion.

35 COUNCILMEMBER FLOREEN:

36 Motion.

38 COUNCILMEMBER ELRICH:

39 Move it.

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1 COUNCILMEMBER FLOREEN:

2 So approved -- second.

4 COUNCIL PRESIDENT ANDREWS:

5 Moved by Councilmember Elrich. Seconded by Councilmember Floreen. All those in favor  
6 of the motion -- of the approval of resolution for the Housing Opportunities Commission  
7 Capital Improvements Program, please raise your hand. That is approved, 8-0. Next is the  
8 aggregate capital budget for the County General Obligation bonds - spending affordability  
9 guidelines.

11 COUNCILMEMBER TRACHTENBERG:

12 So moved.

14 COUNCIL PRESIDENT ANDREWS:

15 Moved by Councilmember Trachtenberg.

17 COUNCILMEMBER ERVIN:

18 Second.

20 COUNCIL PRESIDENT ANDREWS:

21 Seconded by Councilmember Ervin. All those in favor, please raise your hand. That is 8-0.  
22 Next is the aggregate capital budget for Park and Planning bonds - spending affordability  
23 guidelines.

25 COUNCILMEMBER ERVIN:

26 Moved.

28 COUNCILMEMBER FLOREEN:

29 Second.

31 COUNCIL PRESIDENT ANDREWS:

32 Moved by Councilmember Ervin. Seconded by Councilmember Floreen. All those in favor,  
33 please raise your hand. That is approved, 8-0. And the last item on the Capital  
34 Improvements Program is the FY10 state participation.

36 COUNCILMEMBER TRACHTENBERG:

37 So moved.

39 COUNCIL PRESIDENT ANDREWS:

40 So moved by Councilmember Trachtenberg. Seconded by...



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1 COUNCIL VICE PRESIDENT BERLINER:

2 Second.

4 COUNCIL PRESIDENT ANDREWS:

5 Council Vice President Berliner. All those in favor, please raise your hand. That is 8-0.  
6 That takes care of all of the Capital Improvement Program capital budget amendments to  
7 the FY09-14 program, and now move on to approve resolutions for the FY10 operating  
8 budget. Is there a motion to approve the operating budget for the County government?

10 COUNCIL VICE PRESIDENT BERLINER:

11 So moved.

13 COUNCILMEMBER ELRICH:

14 Second.

16 COUNCIL PRESIDENT ANDREWS:

17 Moved by Council Vice President Berliner. Seconded by Councilmember Elrich. All those  
18 in favor, please raise your hand. That is 8-0.

20 COUNCIL VICE PRESIDENT BERLINER:

21 No.

23 COUNCIL PRESIDENT ANDREWS:

24 Oh, I'm sorry. Opposed -- OK. So that's 7-1. Next is Montgomery County Public Schools  
25 FY10 operating budget.

27 COUNCILMEMBER ERVIN:

28 So moved.

30 COUNCILMEMBER FLOREEN:

31 Second.

33 COUNCIL PRESIDENT ANDREWS:

34 Moved by Councilmember Ervin, chair of the Education Committee. Seconded by  
35 Councilmember Floreen. All those in favor, please raise your hand. That is seven, and  
36 that is Councilmember Elrich, Trachtenberg, Floreen, myself, Council Vice President  
37 Berliner, Councilmember Ervin, and Councilmember Leventhal. Opposed, Councilmember  
38 Knapp. That is approved, 7-1. Next is Montgomery College.

40 COUNCILMEMBER ERVIN:

41 Move approval.

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1 COUNCIL PRESIDENT ANDREWS:

2 Moved approval...

4 COUNCILMEMBER FLOREEN:

5 Second.

7 COUNCIL PRESIDENT ANDREWS:

8 ...by Councilmember Ervin. Seconded by Councilmember Floreen. All those in favor of  
9 the operating budget for the Montgomery College, please raise your hand. That is 8-0.

10 That is approved. Next is the Maryland-National Capital Park and Planning Commission.

12 COUNCILMEMBER KNAPP:

13 So moved.

15 COUNCIL PRESIDENT ANDREWS:

16 Moved by Councilmember Knapp.

18 COUNCIL VICE PRESIDENT BERLINER:

19 Second.

21 COUNCIL PRESIDENT ANDREWS:

22 Seconded by Council Vice President Berliner. All those in favor of the Capital Park and  
23 Planning Commission operating budget FY10, please raise your hand. That is unanimous,  
24 8-0. Next is the administrative expense budget of the Washington Suburban Transit  
25 Commission.

27 COUNCILMEMBER FLOREEN:

28 Move approval.

30 COUNCILMEMBER KNAPP:

31 Second.

33 COUNCIL PRESIDENT ANDREWS:

34 Moved by Councilmember Floreen. Seconded by Councilmember Knapp. All those in  
35 favor of that budget, please raise your hand. That is approved, 8-0. Next is the aggregate  
36 operating budget - spending affordability guidelines.

38 COUNCILMEMBER TRACHTENBERG:

39 So moved.



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1 COUNCIL PRESIDENT ANDREWS:

2 Moved by Councilmember Trachtenberg.

4 COUNCIL VICE PRESIDENT BERLINER:

5 Second.

7 COUNCIL PRESIDENT ANDREWS:

8 Seconded by Council Vice President Berliner. All those in favor, please raise your hand.

9 That is 8-0. The operating budget resolutions are approved. We will now move on to the  
10 WSSC FY10-15 Capital Improvements Program.

12 COUNCILMEMBER FLOREEN:

13 Move approval.

15 COUNCIL PRESIDENT ANDREWS:

16 Moved by the chair of our Transportation and Environment, Energy, and Infrastructure  
17 Committee, which works with WSSC on a variety of things.

19 COUNCILMEMBER ELRICH:

20 Second.

22 COUNCIL PRESIDENT ANDREWS:

23 Seconded by Councilmember Elrich. And don't see any comment. All those in favor,  
24 please raise your hand. That is approved, 8-0. Next is the WSSC FY10 capital and  
25 operating Budgets.

27 COUNCILMEMBER FLOREEN:

28 Move approval.

30 COUNCIL PRESIDENT ANDREWS:

31 Moved by Councilmember Floreen.

33 COUNCIL VICE PRESIDENT BERLINER:

34 Second.

36 COUNCIL PRESIDENT ANDREWS:

37 Seconded by Council Vice President Berliner. All those in favor, please raise your hand.

38 That is approved, 8-0. Next is the Cable Television Communications Plan.

40 COUNCILMEMBER TRACHTENBERG:

41 So moved.

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1 COUNCILMEMBER ERVIN:

2 Second.

3  
4 COUNCIL PRESIDENT ANDREWS:

5 Moved by Councilmember Trachtenberg. Seconded by Councilmember Ervin. All those in  
6 favor, please raise your hand. That is 8-0. Next is the resolution to establish the FY10  
7 property tax rates. Is there a motion?

8  
9 COUNCIL VICE PRESIDENT BERLINER:

10 So moved.

11  
12 COUNCIL PRESIDENT ANDREWS:

13 Moved by Council Vice President Berliner.

14  
15 COUNCILMEMBER TRACHTENBERG:

16 Second.

17  
18 COUNCIL PRESIDENT ANDREWS:

19 Seconded by Councilmember Trachtenberg. All those in favor, please raise your hand.  
20 That is unanimous. Next is a resolution to authorize the substitution of current revenue for  
21 General Obligation bonds in FY10.

22  
23 COUNCILMEMBER TRACHTENBERG:

24 So moved.

25  
26 COUNCIL PRESIDENT ANDREWS:

27 So moved by Councilmember Trachtenberg.

28  
29 COUNCILMEMBER ERVIN:

30 Second.

31  
32 COUNCIL PRESIDENT ANDREWS:

33 Seconded by Councilmember Elrich. All those in favor, please raise your hand. That is 8-  
34 0. That is unanimous. And our final resolution on the budget this morning is the resolution  
35 to set the amount of the property tax credit for the income tax offset.

36  
37 COUNCILMEMBER ERVIN:

38 So moved.

39  
40 COUNCILMEMBER TRACHTENBERG:

41 Second.



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1 COUNCIL VICE PRESIDENT BERLINER:

2 Second.

3  
4 COUNCIL PRESIDENT ANDREWS:

5 Moved by -- that's a popular one. That's more popular than the rate. All right. That's  
6 moved by Councilmember Ervin. Seconded by Councilmember Trachtenberg. All those in  
7 favor, please raise your hand. That is approved, 8-0. All right. We're now going to go  
8 through the Consent Calendar, which will take us a very brief amount of time, and set a  
9 public hearing, and then we will have comments on the budget. So that will be our last  
10 item of the morning. The Consent Calendar is before us for approval, and are there any  
11 comments on it?

12  
13 COUNCILMEMBER LEVENTHAL:

14 Move to approve the Consent Calendar.

15  
16 COUNCIL PRESIDENT ANDREWS:

17 Councilmember Leventhal moves that we approve.

18  
19 COUNCILMEMBER FLOREEN:

20 Second.

21  
22 COUNCIL PRESIDENT ANDREWS:

23 I will thank everybody who is listed on the Consent Calendar this morning who is being  
24 appointed. I appreciate that. I will not read the list this morning, but the list is there, and we  
25 thank the several dozen people who are being appointed this morning for their willingness  
26 to serve our County in this important way. And with that, is there a comment on the  
27 Consent Calendar? I see Councilmember Floreen.

28  
29 COUNCILMEMBER FLOREEN:

30 Thank you, Mr. President. I just wanted to note -- draw everyone's attention to Item J,  
31 where we're asking Adrienne Mandel to continue her service on the Washington  
32 Suburban Sanitary Commission. That is a really tough job, and we have been so well  
33 served by Mrs. Mandel. She -- her tremendous legislative experience has given her great  
34 strength and determination to help us through our challenges over at WSSC, and I think  
35 we all join in expressing our very deep appreciation to her for being willing to continue.  
36 This is not an easy job.

37  
38 COUNCIL PRESIDENT ANDREWS:

39 That is definitely true. I don't see any other comments on the Consent Calendar, so all  
40 those in -- Councilmember Leventhal, I think you moved approval of the Consent  
41 Calendar, and we had a second. That was Councilmember Floreen. So that is before us.



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1 All those in favor of the Consent Calendar, please raise your hand. The Consent Calendar  
2 is approved, 8-0. Our last item of the morning before we have comments about the budget  
3 is the District Council Session, and this is an action -- a resolution to establish a public  
4 hearing on the Wheaton Central Business Sector Plan Sectional Map Amendment G-883  
5 for June 30, 2009, at 1:30 PM.

6  
7 COUNCILMEMBER TRACHTENBERG:  
8 So moved.

9  
10 COUNCIL PRESIDENT ANDREWS:  
11 Moved by Councilmember Trachtenberg. Seconded -- public hearing?

12  
13 COUNCILMEMBER KNAPP:  
14 Second.

15  
16 COUNCIL PRESIDENT ANDREWS:  
17 Seconded by Councilmember Knapp. All those in favor of the public hearing on the  
18 Wheaton CBD Sector Plan Sectional Map Amendment for June 30, 2009, at 1:30, please  
19 raise your hand. And that is unanimous. That is approved, 8-0. And that concludes the  
20 formal items, and I will now make a few comments about the approved budgets. All right.  
21 And I will do my best to speak on behalf of the entire Council. And let me first say thank  
22 you to everyone who helped put it together. Thank you to all the agencies, thank you to  
23 the public school staff, thank you to the College staff, thank you for the Housing  
24 Opportunities Commission staff, thank you to the WSSC staff, thank you to our County  
25 staff, and thank you very much to our own staff, who worked extremely hard in giving us  
26 good recommendations and analysis for this difficult budget. This was a tough year. It was  
27 marked by the severe economic downturn and a lot of cuts at the state level that came  
28 late in the process, and it did make it a very challenging budget. I will say that the bottom  
29 line on this budget is that the County operating budget is 2.2% less than the current  
30 year's. Next year's budget will be 2.2% less than the current year's. That's \$28 million.  
31 And the overall tax-supported operating budgets for all of the agencies will be 1.1% less.  
32 So the budgets, the operating budgets, in terms of what the tax-supported revenues are  
33 from the County, are smaller than they were in this year. And that took a lot of work to  
34 craft those budgets and reduce them in a wise way to adjust to the lower revenues that we  
35 have coming in from all sources, but to preserve essential services and the safety net and  
36 to avoid layoffs, which we have done. In order to avoid layoffs, we needed help from our  
37 employees, and our employees did step forward. The school system employees started  
38 off by agreeing to forgo the cost-of-living adjustment for next year, and that saved \$89  
39 million, and that was a huge help, and we appreciate the sacrifice our employees are  
40 making to help balance this budget in the most appropriate way that we think possible.  
41 Our County employees have also agreed to forgo cost-of-living adjustments, and we thank

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1 them for that, because we know that is a sacrifice for them as well, and it saves \$36  
2 million. That's \$125 million toward the gap of around 550 million that we started with. That  
3 was a huge help, and we thank our employees for their understanding. The  
4 consequences, if that hadn't happened, would have been worse, because we would have  
5 had draconian cuts in services or layoffs or unrealistic increases in taxes. And so we  
6 needed the help of our employees this year, and we very much appreciate that they  
7 stepped forward to do that. I want to recognize that each of my colleagues played a  
8 crucial role in this budget, and the budget has their signature on it. Councilmember Elrich,  
9 as one of my colleagues on the Public Safety Committee, was right there advocating for  
10 the civilianization efforts that are going forward in the Fire and Rescue Service and in  
11 promoting what I think is a visionary plan for bus rapid transit -- a bus rapid transit system  
12 in this County, which -- planning of which will get underway in this budget. And that will be  
13 very important for many of our residents because it will use existing capacity that we have  
14 to its maximum extent. Councilmember Trachtenberg has always been a strong voice for  
15 mental health needs and for assisting those who are in a dark time and unable to help  
16 themselves, and we preserved funding for behavior health and for mental health in this  
17 budget, and she was a very strong advocate for that. Councilmember Floreen led the  
18 effort to restore bus service. I think we heard more about this issue than any other. The  
19 proposed cuts in bus service would have affected many of our residents, and including  
20 affecting their ability to get to their job, as well as to generally get around, and  
21 Councilmember Floreen developed a plan in her committee, approved a plan that restored  
22 the bus service cuts that would have really had a negative impact on many of our  
23 residents, and I thank her for her excellent work on that and for the committee's work, and  
24 Glenn Orlin for his hard work in -- in a lot of those suggestions. Council Vice President  
25 Berliner led the effort to find savings in utility use, and as a result, we expect to save \$1.1  
26 million through a 4% reduction in energy use in the coming year, and we think it's  
27 important to have these targets. We think -- we think that's very achievable, and we hope  
28 that we see more than that, but we think that that is an important target to have and that if  
29 you have such a target, you're more likely to meet it than if you don't. Councilmember  
30 Knapp championed restoring hours at the police stations that would have been closed to  
31 the public from 1:00-6:00 AM in the Sixth District in Gaithersburg and the First District in  
32 Bethesda. And the Council is doing that, and that, I think, was the right thing to do, and I  
33 applaud Councilmember Knapp for his leadership on that. I want to recognize the crucial  
34 role that Councilmember Ervin has continued to play on all education issues, as well as  
35 many issues affecting the disadvantaged in the County. Councilmember Ervin has  
36 championed the needs of public education and higher education, and the Council has  
37 ensured through this budget that the school operating budget is fully funded at what was  
38 proposed by the County Executive and that the College remains in good shape. We owe a  
39 lot to those institutions that educate so many of our young people and that form the, really,  
40 bedrock of our County, and Councilmember Ervin is an undaunting -- unstinting advocate  
41 for -- for those institutions and causes. And Councilmember Leventhal, as chair of the

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1 Health and Human Services Committee, ensured that the safety net in this County  
2 remains strong. That was one of the things that we all said at the beginning of this  
3 process, and the County Executive said it, too. And really, I want to note that we've been  
4 on the same page with the County Executive in terms of the approach of not having -- not  
5 going above the property tax limit, the charter limit, protecting essential services, avoiding  
6 layoffs, protecting the safety net, but cutting spending. And we have worked closely  
7 together, and there was a great deal of agreement from the beginning on the basic  
8 framework for this budget, and that was very important. I commend the County Executive  
9 for his support of those principles. Councilmember Leventhal ensured that we have a  
10 safety net in place for the increased number of people that are falling into it, and we have  
11 a lot of new people falling into it. So you will note that the budget did pay special attention  
12 to that, and we restored a lot of proposed cuts there and shored it up, and the grants that  
13 the Council has targeted this year are primarily targeted in that area. And that was a  
14 conscious decision, to -- to have a heavy emphasis on emergency assistance and basic  
15 services. So I want to thank Councilmember Leventhal for his championing of that. This is  
16 a budget that will now go into place, but we are already looking ahead to next year  
17 because we know that next year will be a difficult year, as well, and we are very mindful of  
18 that, which is one of the reasons why we wanted to make sure that we cut the budget this  
19 year from last year, so that we have a sustainable level of spending and so that we don't  
20 have to make even deeper cuts than we otherwise would have to make in next year's  
21 budget. We're going to need to get a head start on next year because the economic news  
22 is still not good. We still know that state revenues are very tight, and so we're not going to  
23 wait until next spring to get a head start on next year. And I know my colleagues share  
24 that commitment. So, with that, I will say thank you to everyone who -- who helped with  
25 this budget. Thank you especially to my colleagues for their very constructive work and  
26 hard work on this budget. I'm really proud to serve with all of you. I think we have passed  
27 a very responsible budget, and one that really does meet the needs of our residents, but  
28 in a fiscally responsible way. And I will now see if anyone else would like to make any  
29 comments. Councilmember Trachtenberg.

30  
31 **COUNCILMEMBER TRACHTENBERG:**

32 Thank you, President Andrews. I want to start my remarks off this morning by  
33 acknowledging my colleagues for their efforts over the last few months, and in particular, I  
34 want to thank the Council President for his leadership in bringing us along and getting us  
35 here this morning -- no easy task; a major accomplishment, given our diverse  
36 backgrounds, our very strong opinions, and our independent styles. And clearly, given our  
37 fiscal challenges that have occurred over the last year in this country, it would be fair to  
38 publicly state that none of the committee discussions that took place here were easy and  
39 that the subsequent committee decisions were not easy, either. And I know that the  
40 Council President and Councilmember Ervin would attest to that, given some of the very  
41 hard conversations that we had to have in the Management and Fiscal Policy meetings

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1 discussions around compensation and benefits, in particular, and the conversations about  
2 technology investments -- those investments that are so vital to good government here in  
3 Montgomery County. It's often said that a final budget is a moral document, and I believe  
4 that this year's budget confirms this body's commitment to the community at large, but it  
5 really also underscores that our County's vulnerable population residents were on our  
6 minds when we made many of our ultimate decisions, and it even would suggest that they  
7 were in our hearts. You know, I often speak about my adult son, a recovering  
8 schizophrenic, and I always say that he was my inspiration to become an advocate and to  
9 serve in public office. Just a few weeks back, during a visit with my son, who's currently  
10 hospitalized up at Springfield Hospital Center, my husband and I took him out for a pass,  
11 and during that afternoon -- we took him out for a Sunday brunch, and at one point during  
12 the meal, he stepped outside to have a smoke, and he went out with his stepfather for that  
13 purpose. And as he was standing there, he observed a large group of adolescents who  
14 were outside the restaurant doing the same thing. And he remarked to Dr. Trachtenberg  
15 that he used to be like those kids. And Alan's heart sunk, and when he shared the story  
16 with me, so did mine, because it clearly speaks to my son's sense of loss, and I  
17 immediately asked Alan how he responded to Wally at that moment, and he said he  
18 reminded my son that challenges often convert into opportunities and that he and I were  
19 both there, as well as many other people, to support Wally so that one day in the not-so-  
20 distant future he could have an enjoyable life in the community once again. And people  
21 like my son often live their lives feeling hopeless and helpless. And it's really at precisely  
22 times like this that we must protect their needs. And it doesn't matter if we're talking about  
23 the school bus driver struggling to pay the bills, the retired senior whose income has  
24 shrunk, the child who goes to school hungry in the morning, the mother of three children  
25 who can't afford food or electricity, or the mentally ill young man like my son -- sometimes  
26 who isn't as lucky as my son and doesn't have any family support and really, truly a life of  
27 misery behind him. These are of our neighbors, our friends, and sometimes even our  
28 family members. So they're not strangers to any of us in the room this morning, and  
29 they're not strangers to any of us on the dais today, as well. Like Wally, these friends and  
30 neighbors don't want special treatment. They want to be normal. They just want a simple  
31 life. And it is with a very humble spirit that I thank my colleagues this morning here at the  
32 Council. I also thank the County Executive for supporting the prioritization of the needs of  
33 the vulnerable in this year's budget process. The sobering truth is that our challenge is not  
34 over, and it is my hope that as we struggle with the fiscal reality the rest of this year and  
35 next year, that all residents -- in particular, our neediest ones -- remain in our hearts and  
36 minds. They must.

37  
38 COUNCIL PRESIDENT ANDREWS:

39 Thank you, Councilmember Trachtenberg. And I'm going to call on Councilmember  
40 Leventhal in just a minute. I want to thank especially Steve Farber, who coordinates the  
41 staff work here at the Council and who put an enormous amount of time into this budget



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1 and provided us outstanding fiscal help. He's at the table. I was here till fairly late last  
2 night. He was here later, and that is regularly the case, and we are lucky to have such a  
3 dedicated Staff Director with such expertise working to help us make good decisions. And  
4 there are many others I could single out, but I have Steve be the representative for them  
5 today. And I also want to extend a real thanks to my Chief of Staff, Lisa Mandel-Trupp,  
6 who worked with my other staff members -- David Hondowicz, Maria Peck, John Smith,  
7 and Kunda Kimaro -- to help my office through this challenging budget, and Lisa did a  
8 wonderful job, and I thank her very much. I want to also mention that the reconciliation list  
9 which has been approved by the Council as part of this budget is available in the back for  
10 copies. Now I will turn to Councilmember Leventhal.

11  
12 **COUNCILMEMBER LEVENTHAL:**

13 Thanks, Mr. President. I appreciate the leadership that you provided in leading us through  
14 a very serious and comprehensive effort at financial sustainability over the last few  
15 months. All of the committees have worked hard and fulfilled our fiduciary responsibilities.  
16 We've gone through every line of the budget proposal that we received in March from the  
17 County Executive. We've made some reductions, and we added back some things that we  
18 thought were vitally important. We faced a situation where our revenues were  
19 substantially down. Income tax is down by over a million dollars. Recordation tax is down -  
20 - this is just in the third quarter -- by more than 20% -- \$12.4 million. Transfer tax -- I'm  
21 sorry. That's transfer tax, \$12.4 million, more than 20%. Recordation tax down 11.4  
22 million, 28.1%. Investment income hugely down. We've been able to benefit substantially  
23 from investment earnings in the past. This year, a 69.7% decrease in investment income.  
24 Highway user revenues, down 13.4%. And property values are declining substantially in  
25 Montgomery County, at a greater rate than any other county in the state. Of course, the  
26 effect of declining assessments is staggered over the three-year assessment period, but  
27 as the Council President stated, we're going to continue to suffer from the effect of a  
28 declining property tax base. So we are faced with dramatic reductions in revenue, and we  
29 made substantial sacrifices in this budget. Our employees made sacrifices not only by  
30 forgoing the cost-of-living adjustments that had been negotiated, but also, with 400 jobs  
31 being eliminated, the workload burden on those employees who remain is going to  
32 increase. The expectation of good service doesn't change, and the hours and the flexibility  
33 -- the ability to perhaps take a day off when you deserve it is going to be much less  
34 throughout County government and throughout the school system. So substantial  
35 sacrifices are being made in this budget. Substantial cuts have been made. As the  
36 Council President said, we've come in below last year's spending, and that's a very  
37 important point to emphasize. We are spending less in Fiscal 10 than we spent in Fiscal  
38 09, despite increases in utility costs, despite increases in certain benefits, increases in the  
39 cost of health care -- all of the cost increases that our taxpayers are facing -- but we're  
40 going to spend less in Fiscal 10 because of the fiscally sustainable approach that we've  
41 taken in this budget. I think we're embarked in a important and interesting experiment in





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1 reducing utility costs, under the Council Vice President's leadership, and it is going to be  
2 necessary for -- throughout County government, throughout the school system, Park and  
3 Planning, and the College, to be exceptionally careful about leaving lights on at night,  
4 leaving computers on. We want to adapt and adjust to the rising cost of energy, and we're  
5 doing that by cutting the amount that we're going to spend on energy, and I believe that's  
6 going to work. As others have stated, we did make an effort to look out first for those who  
7 need the most help from County government. We are moving ahead with our Housing  
8 First program so that homeless people are placed in permanent, stable housing, rather  
9 than temporary shelter. And we made sure to provide the flexibility within our Housing  
10 Initiative Fund both to prevent homelessness and for those who are homelessness --  
11 homeless -- to allow those individual and families to escape that condition and to be  
12 permanently housed. I enjoy working with Councilmember Ervin, and I'm looking forward  
13 to the launch of the initiative in Wheaton to attack the significant problem there of public  
14 drunkenness. We've had success with our Public Inebriation Initiative in Silver Spring and  
15 Takoma Langley, and in this budget, we're expanding it to Wheaton, and that will be a  
16 major help to the small businesses there which have suffered from the presence of public  
17 drunkenness. We want to support our local small business community, and also, those  
18 individuals who have substance abuse problems and need alcohol counseling and drug  
19 treatment will be able to get it as a result of this initiative. I want to really thank the school  
20 system. We've had a very productive and helpful dialogue over the last few days as we  
21 struggled to come to grips with what I can only describe as an attack on Montgomery  
22 County by the State Board of Education. And we've been working closely with the school  
23 system's leadership. The School Board president and vice president, Shirley Brandman  
24 and Pat O'Neill, are here. Our superintendent Jerry Weast and the president of the  
25 Montgomery County Education Association, Bonnie Cullison, are here, and I've been in  
26 touch with all of them, and all Councilmembers have, and I know that they're struggling,  
27 like County government is struggling, to come to grips with the sacrifices that have already  
28 been made, trying to sustain the excellent level of education that we have in Montgomery  
29 County that keeps our property tax base from falling even farther. We know that it's our  
30 excellent schools that attract people to Montgomery County and make it a more desirable  
31 place than some of our neighboring jurisdictions. But the school system is making  
32 sacrifices. The school system employees made substantial sacrifices, and yet, we  
33 believed those sacrifices were sustainable, and then the State Board of Education told us  
34 that we were supposed to cut \$79.5 million out of the rest of County government -- police,  
35 fire, libraries, vital health and human services -- and give it to the school system when the  
36 school system didn't want it and didn't plan to use it. That doesn't make sense. And part of  
37 the rationale for why the State Board said that we should do that was that they thought we  
38 had capacity to raise property taxes. Friends, we literally can't raise property taxes. Put  
39 aside the idea that we don't want to and decided not to, we literally can't, because  
40 Montgomery County voters placed language in the charter that says it requires nine  
41 Councilmembers. We ain't got nine Councilmembers. So we literally can't do what the



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1 memo from the State Board of Education suggested we could or should do. And so,  
2 through the Council President's leadership and the leadership of our County Attorney's  
3 Office and Steve Farber, we're passing a legal, balanced budget today and hope to  
4 establish a better relationship with the state agencies that are supposed to support our  
5 schoolchildren and support our educational system and not make it more difficult to  
6 provide the vital services that students and their parents and that the entire community  
7 depend upon. So I'm happy to vote for this budget, and again, thank you, Mr. President,  
8 for your leadership, and enjoy working with all my colleagues.  
9

10 COUNCIL PRESIDENT ANDREWS:

11 Thank you, Councilmember Leventhal. Councilmember Elrich.  
12

13 COUNCILMEMBER ELRICH:

14 I also want to thank everybody who worked on this budget. I thought that -- that everybody  
15 showed remarkable restraint, that the -- I'm serious. I mean, the reconciliation list this year  
16 shows an absolute lack of ego or attachment or insistence on, you know, everybody has  
17 to get everything, and a real recognition of what the limits were, and to not put people in a  
18 position of choosing, you know, this project over somebody else's project. There was a  
19 real effort, I think, to come together all the way through to make this budget work. I sit on  
20 two committees -- all of us basically sit on two committees, except for those unfortunate  
21 members of the Council who have been forced to sit on three committees for a brief  
22 period of time. And so we have to trust the other committees' work because we don't sit in  
23 on all the deliberations that the other committees have in the process of bringing their  
24 budget recommendations forward. And so you work on your two committees, and then  
25 you trust that everybody else is playing by the same set of rules as you are, and I thought  
26 that everybody played by the same set of rules this year. Everybody understood that  
27 numbers had to come down if this was going to fit, that we had revenue constraints that  
28 were very, very real, and that all of us had -- there could be no favorites or specialties  
29 among the categories of the budget. And so I really want to commend my colleagues on  
30 what I thought was a remarkable collaborative process, and a remarkably good outcome,  
31 given where we started. We -- this budget certainly has unpleasant cuts in it, and there  
32 are things in this budget that none of us feel good about doing, but we simply didn't have  
33 any alternative form of getting resources that could lead us to better outcomes. We did the  
34 absolute best we could do with the resources we had at hand, and we've gotten through  
35 this year. I was thinking about a play I saw many years ago. I think it's a Thornton Wilder  
36 play called "By the Skin of Our Teeth." And it's sort of like, you know, the history of the  
37 human condition and how, you know, humanity goes through these crises and then  
38 somehow crawls out of the hole, and, you know, by the skin of the teeth, it goes on again.  
39 And I was kind of thinking of this budget, really, as by the skin of our teeth. We got  
40 through this. We had no wiggle room. There's nothing left on the table, and there's nothing  
41 we could have grabbed that we didn't grab. I think it's pretty fair to say that there is no low-



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1 hanging fruit. There's no low-hanging fruit left for next year. So we've got a lot of work to  
2 do, because certainly, there will be inflation. I doubt that the health-care industry will show  
3 any restraint in its health -- in the cost of health care over the next year, so we can be  
4 certain that we'll be hit with that. Who knows where fuel costs will go. I mean, it seems  
5 that if -- the slightest word that there's an uptick in the economy, and gasoline prices are --  
6 I paid 50 cents more than I paid a month ago for gasoline today, and I don't believe we're  
7 in a recovery, but apparently the oil companies got the message that we're in a recovery,  
8 maybe, and so we don't know where our fuel costs are going to go. So there's a lot of  
9 uncertainty going into next year, and certainly, the lack of revenues will continue. We  
10 know, and can be pretty certain, that there won't be a rebound in people's capital gains  
11 taxes in this fiscal year, even if the recovery starts to show its face at the end of the year.  
12 That might be something for the year after that but won't necessarily benefit us next year,  
13 and so we've got -- I think we've got a lot of work to do. I also think it's important to  
14 acknowledge the relationship of the employee unions to making this budget work, and not  
15 just the concessions we got, which made the numbers workable, but the way we got them,  
16 because I think everybody knew that something had to give, but, you know, as my father  
17 would say to me, "We can do this nice, or we can do this nasty." Unfortunately, I often  
18 picked the other path, but... you know, I thought what happened this year was really  
19 productive -- that instead of things having to be taken, things were put on the table and  
20 offered up, and that creates an entirely different dynamic when people participate in a  
21 discussion when everybody recognizes what the reality is and everybody comes to the  
22 table and says, you know, we know something has to be done here. And the deals were  
23 made that made it possible to reduce the COLAs in these contracts, and they were done  
24 in the spirit of cooperation and working together, which I think was just critically important,  
25 not just for this year, but it helps maintain an atmosphere of being able to work together as  
26 we go into what is certainly going to be another difficult year. I also want to thank the  
27 County Executive for steering the County in this direction, to not look at the temptation of,  
28 you know, is there a way to skate by the hard choices that we've got to make in terms of  
29 reductions, but to actually send over a budget that had hard reductions in it. This Council  
30 did not take all the reductions, and we, you know, used our right to imprint the budget  
31 differently and decide that we had somewhat different priorities, but I think the Executive,  
32 like us, recognized that something fundamental had to shift, and I appreciate the work he  
33 did in creating that fundamental shift. I want to thank Phil for keeping this thing on track. I  
34 can't always say that I went to sleep comfortable that things in the morning would be the  
35 same as they were the previous evening, and it's always fun to come in in the morning  
36 and find out that things have changed, but at the end of the day, this thing held together,  
37 and I think it's important -- the role you played in making this happen together. And mostly  
38 to thank everybody else on the Council for everything. It was a genuinely cooperative and  
39 open-minded spirit in dealing with what was a very, very difficult budget. And I hope that --  
40 I've love to say that the economy's going to recover, but I certainly think that we've got to  
41 start taking steps now to prepare for what's going to likely come next year. And those

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1 aren't decisions that should be made in the last two months when you get a budget  
2 handed to you. Those are decisions that need to start being made on July 1 about where  
3 we're going to be so we're in a position to be able to handle this. And, you know, one of  
4 the discussion I had this week is, where do you cut \$80 million? And I'd rather have that  
5 discussion over nine months than have that discussion over two days. I think that -- that  
6 George raises a really important point about the State Board of Education. This was the  
7 most irrational decision I think anybody has ever handed down, because the only reason  
8 we didn't make me the Maintenance of Effort requirement is because the employee  
9 unions gave up essentially the 79 million, plus 10 more. So it wasn't like we weren't  
10 funding the school budget. The shortfall in Maintenance of Effort was something that was  
11 voluntarily given up by the employees, and yet, the State Board of Education said, you  
12 now have to put \$80 million back into this budget. It speaks not only -- I see some stunned  
13 faces out there. It's not only illogical in that sense, but imagine if the school system  
14 actually came up with, "We think we could save \$20 million this year by doing X." Under  
15 the state's logic, you're not allowed to save any money. You're not allowed to become any  
16 more efficient. You're simply driven to spend more the next year, adjusted for inflation and  
17 by the number of students, no matter what you do. So while I understand Maintenance of  
18 Effort is there to prevent councils, local governing bodies, from simply substituting one  
19 form of money for another or making decisions to reduce schools because they simply  
20 don't have the political will to raise taxes -- which are legitimate things to do -- it is not  
21 legitimate to deny us the right to make -- to balance the budget with the cooperation of the  
22 unions and the cooperation of the school system and simply say, "You have to spend  
23 more." So I hope we work really, really hard with the state legislature said we don't have  
24 to get in this box next year.

25  
26 COUNCIL PRESIDENT ANDREWS:

27 Thank you, Councilmember Elrich. Councilmember Floreen.

28  
29 COUNCILMEMBER FLOREEN:

30 Thank you. I have to say, in my book -- in my view, this budget is held together by spit and  
31 determination. And I thank you, Mr. President, for bringing a number of unruly  
32 Councilmembers along. The good thing about the budget, I think, is that we've been able  
33 to focus on core services and our most vulnerable. We've had a tremendous amount of  
34 help from everyone in this room in terms of helping us sort through priorities. There are no  
35 winners, and there are no losers, as far as I'm concerned. I'm glad that we could keep the  
36 bus service alive. That was a cobbling together of solutions, and again, staff deserves  
37 tremendous credit for that. I'm really sorry we couldn't put as much money in the HIF -- in  
38 the Housing Initiative Fund -- as we wanted to. We have a good crowd of advocates here.  
39 We were able to cut back that number that was proposed a little bit, and I thank Mr. Elrich  
40 in particular for that, for helping me on that one. But everyone had to give a little.  
41 Everyone has recognized the employees in County government, within the school system,



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1 who have been major players, and we're very grateful to them for participating in this. It's  
2 really been a collaborative effort, particularly with MCPS, with the hardball that the State  
3 Board of Education threw us the other day -- convenient, as we were finishing the budget.  
4 And I am very pleased that we've been able to work together on this debt service solution,  
5 and we'll do our best to continue that collaborative effort. The fact of the matter is that this  
6 is the first time since 1992 that the County budget is down from the previous years -- first  
7 decrease. That says something about our commitment to addressing the fiscal challenges  
8 out there. And yet, we are -- continue to give every resident -- every homeowner a \$690  
9 tax credit. That's recognition of the fiscal challenges that our tax base faces, and we'll  
10 continue to work with everyone here to address our communities' needs. But County -- as  
11 everyone said, County government budget has actually decreased 2.2%. That's a very  
12 significant decrease, and it could not have been possible without everyone giving really  
13 quite a lot. So I don't feel particularly good about this budget. It's better than it could have  
14 been. It was very difficult. And let's move forward in a positive fashion. Maybe the  
15 economy will come around tomorrow, and we will be able to speak more positively next  
16 year about the services and programs that we can fund. But I really want to thank  
17 everyone here for their participation in this tough process, particularly the Council  
18 President. Thanks, Phil.

19  
20 COUNCIL PRESIDENT ANDREWS:

21 Thank you, Nancy. Councilmember Knapp?

22  
23 COUNCILMEMBER KNAPP:

24 Thank you, Mr. President. I would also extend my thanks to everyone who's here. Any  
25 budget that gets approved ultimately is the result of a lot of hard work from a lot of  
26 different people. Our employee organizations, I think, were key, and started conversation  
27 with them nearly a year ago to make sure that we could get to a good outcome, and so I  
28 appreciated all of our employee organizations for their efforts. The interesting thing is, in  
29 good years, you pass a budget the end of May, and it kind of goes away, and you do  
30 budgets again next year. The reality is, in a difficult year, the issues don't go away, and  
31 many have alluded to this. And unfortunately, sometimes when the shells are fine from the  
32 outside, and things get confusing, internally, departments, organizations, agencies start  
33 kind of looking at each other and thinking that the people on the inside are the enemy.  
34 The reality is -- and Mr. Leventhal alluded to this, Mr. Elrich alluded to this -- our issues  
35 aren't going to come from within. Our issues over the next year are going to come from  
36 the outside, and we've already seen it with a State Board of Education that doesn't have a  
37 good understanding of what it is that we're trying to accomplish in Montgomery County.  
38 And unfortunately, the first shot across the bow came from the state in today's Post, in  
39 which the chief fiscal adviser to the Maryland Legislature recognized that Montgomery  
40 County's "budget situation appears less dire than those of neighboring jurisdictions"  
41 somehow. You know, and so, the challenge that we're going to have is, how to -- as a

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1 collective, as a community, to continue to work together in the coming months to ensure  
2 that people understand what Montgomery County is doing, what Montgomery County's  
3 needs are, and so that we don't continue to come under attack, because there's always a  
4 perception that somehow we're dealing with things differently than everywhere else, and  
5 the reality is going to be, things aren't going to get easier in the course of the next year,  
6 and likely they will become harder, and so we, as a collective -- everybody in this room --  
7 we run the risk of getting nervous and getting disconcerted and focused our attention on  
8 going after each other or really banding together and making sure that we work  
9 collectively to make sure that those elements at the state that don't fully understand  
10 Montgomery County and who think that we can continue to provide resources to the state  
11 and continue to provide additional resources in our County, that they recognize that that's  
12 not the case, because that's where our real challenge is going to come from. And so I  
13 would urge us all, as we continue having -- continue to have budget discussions during  
14 the coming year -- of which there will be many -- that we work very, very proactively to  
15 ensure that our State Legislature, the State Board of Education, and other state entities  
16 fully understand our position and that we protect what we have, what little bit it may be  
17 sometimes -- but we make sure that we protect those areas and that we're working  
18 together to do that. And so I thank everyone, I thank the Council President, but this I is  
19 going to be a challenging year coming up. And we can do very well if we work together,  
20 but we'll have issues if we end up squabbling amongst ourselves.

21  
22 **COUNCIL PRESIDENT ANDREWS:**

23 OK. Thank you, Councilmember Knapp, and just a couple of closing comments. I had a  
24 conversation yesterday with State Senator Rich Madaleno, who brought to my attention a  
25 startling statistic, which is that in Montgomery County, 97% of property tax assessments  
26 went down in the last cycle, and that is far higher than any other percentage in the state.  
27 That portends flat or declining property tax revenues from the existing property tax base  
28 over the next few years. So that is going to be something we're going to have to deal with  
29 and plan for. I want to note the very close collaboration with Council Vice President  
30 Berliner. We worked very closely on this budget, and I want to thank -- thank the Council  
31 Vice President for his -- his excellent work, his outstanding ideas, his initiatives on the  
32 utility service, and just the spirit that he displayed throughout this -- this budget. I also  
33 want to note that the District 4 office continued to work during the last four months, where  
34 we were without a Councilmember from District 4 because of the death of Don Praisner in  
35 January. The staff of that office -- Joy Nurmi, Sherry Kinikin, Pat Brennan, Jackie  
36 Hawksford, and Claire Iseli -- did a great job and continued to advocate for the residents  
37 of District 4 all during this difficult period, and we all here at the table also looked out for  
38 the residents of District 4 to ensure that attention was paid. So I thank the District 4 staff,  
39 and I also want to say that the Council is looking forward to being at full strength again  
40 and looking forward to Councilmember-elect Nancy Navarro joining us when we return  
41 from our recess after this budget. We congratulate her on her election. We look forward to

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1 working with her as she joins us. And finally, I want to thank the entire Council staff, many  
2 of whom are sitting in this room or listening in, for an extraordinary effort this year. We are  
3 always well served by you, and thank you for your dedication to public service and for  
4 providing outstanding independent analysis to us. With that, we are adjourned. Thank you  
5 all.  
6